

House Bill 430

By: Representative Franklin of the 43rd

A BILL TO BE ENTITLED
AN ACT

To amend Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, so as to provide a short title; to provide legislative findings; to define certain terms; to require any bank or lending institution serving as a depository for the state or any department or agency of the state to offer and to accept gold and silver coin for deposit; to amend Title 50 of the Official Code of Georgia Annotated, relating to state government, so as to provide legislative findings; to define certain terms; to require the exclusive use of gold and silver coin as tender in payment of debts by or to the state; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be cited as the "Constitutional Tender Act."

SECTION 2.

Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is amended by adding a new chapter to read as follows:

"CHAPTER 9

7-9-1.

The General Assembly finds and declares that sound, constitutionally based money is essential to the livelihood of the people of this state, to the stability and growth of the economy of this state and region, and vitally affects the public interest. The General Assembly further finds that Article I, Section 10 of the United States Constitution provides that no state shall make anything but gold and silver coin a tender in payment of debts.

7-9-2.

As used in this chapter, the term:

(1) 'Federal Reserve Accounting Unit Dollar accounts' means accounts based on federal reserve notes created by 12 U.S.C. Section 3, Subchapter XII.

(2) 'Gold eagle accounts' means accounts based on the weight in troy ounces of the gold content of gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(a)(7) through (a)(10) and 31 U.S.C. Section 5112(h).

(3) 'Pre-1965 silver accounts' means accounts based on the face value of silver coins minted by the United States Mint prior to the Coinage Act of 1965 (Pub. L. 89, 81, 79 Stat. 254), having a 90 percent silver composition and containing when minted approximately 0.7234 troy ounces of silver per dollar of face value.

(4) 'Silver eagle accounts' means accounts based on the weight in troy ounces of the silver content of silver coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(e) and 31 U.S.C. Section 5112(h).

7-9-3.

Banks and lending institutions chartered by the state pursuant to this title, and any bank or lending institution serving as a depository for the state or any department or agency of the state, shall offer gold and silver coins minted by the United States to, and shall accept them for deposit from, the state and other customers.

7-9-4.

(a) Banks and lending institutions designated in Code Section 7-9-3 shall offer accounts denominated in:

(1) Federal Reserve Accounting Unit Dollar accounts;

(2) Pre-1965 silver accounts;

(3) Silver eagle accounts; and

(4) Gold eagle accounts.

(b) Accounts established as provided in subsection (a) of this Code section shall be segregated from all other types of currency. Withdrawals shall be made in the same currency as deposits."

SECTION 3.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended by adding a new chapter to read as follows:

"CHAPTER 3750-37-1.

The General Assembly finds that, as mandated by Article I, Section 10 of the United States Constitution, the state shall not make anything but gold and silver coins as tender in payment of debts. Federal Reserve Accounting Unit Dollars, having no redeeming value in gold or silver coin, shall not be made a tender in payment of debts by the state.

50-37-2.

As used in this chapter, the term:

(1) 'Gold eagles' means gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(a)(7) through (a)(10) and 31 U.S.C. Section 5112(h).

(2) 'Pre-1965 silver coins' means silver coins minted by the United States Mint prior to the Coinage Act of 1965 (Pub. L. 89, 81, 79 Stat. 254), having a 90 percent silver composition and containing when minted approximately 0.7234 troy ounces of silver per dollar of face value.

(3) 'Silver eagles' means silver coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. Section 5112(e) and 31 U.S.C. Section 5112(h).

50-37-3.

Pre-1965 silver coins, silver eagles, and gold eagles shall be the exclusive medium which the state shall use to make any payments whatsoever to any person or entity, whether private or governmental. Such coins shall be the exclusive medium which the state shall accept from any person or entity as payment of any obligation to the state including, without limitation, the payment of taxes; provided, however, that other forms of currency may be used in all other transactions within the state upon mutual consent of the parties of any such transaction.

50-37-4.

The value of each coin used pursuant to Code Section 50-37-3 as payment of obligations by and to the state shall be determined by the current market value of the silver or gold content of each coin and not determined by the face value of each coin itself. The value of the silver or gold content of each coin shall be equal to the most recent United States dollar value set on the current business day by the London Silver Fixing Price and the London Gold Fixing Price as of 10:30 A.M. Greenwich Mean Time and 15:00 P.M. Greenwich Mean Time as follows:

(1) Silver eagles and gold eagles shall be valued at the current market value of the silver or gold content of each coin; and

(2) Pre-1965 silver coins shall be valued at the current market value of the silver content of each coin, multiplied times 0.715 of the face value of each coin.

50-37-5.

The coins used pursuant to Code Section 50-37-3 shall be accepted for deposit by banks and lending institutions chartered by the state under Title 7 and by any bank or lending institution serving as a depository for the state or any department or agency of the state.

Any such bank or lending institution may offer such coins to, and accept them for deposit from, other customers.

50-37-6.

Checks or electronic transfers or payments drawn on pre-1965 silver accounts, silver eagle accounts, and gold eagle accounts as such accounts are defined in Code Section 7-9-2 and in accordance with Code Section 7-9-4 shall be deemed to satisfy the United States Constitution's requirement that payment of obligations by the state be made only in gold or silver coin and shall be deemed to satisfy the requirement of Code Section 50-37-3 for payment of obligations owed to the state."

SECTION 4.

This Act shall become effective on January 1, 2010.

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.